



NEWS RELEASE

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Value-Added Producer Grant Program Details Announced by USDA Rural Development Renewable Energy Ventures Given Priority

Topeka, KS – USDA Rural Development State Director Chuck Banks announced the availability of funding of more than \$19 million in grants to support the development of renewable energy and value-added agricultural business ventures. The Agency's *Value-Added Producer Grant Program* is part of a comprehensive energy strategy announced by Agriculture Secretary Mike Johanns in early December to help farmers and ranchers mitigate the impact of high energy costs and develop long-term solutions.

In announcing the availability of the Program's funding for Kansas agricultural producers, State Director Banks commented, "Value-added projects under this year's program will bring new opportunities for agricultural producers to develop alternative energy sources, as well as create additional value-added products that provide needed investment in our Kansas communities. These funds will provide valuable support in the areas of renewable energy and value-added development where the agricultural sector continues to be a leader in forging important new solutions."

Informational meetings covering the Agency's *Value-Added Producer Grant Program* will be held in February.

During today's announcement, State Director Banks added, "We have the natural resources and the ingenuity to create new forms of energy and to use it more efficiently. The Agency's *Value-Added Producer Grant Program* provides Kansas farmers and ranchers, along with rural businesses and individuals, the opportunity to receive funding assistance to harness the untapped renewable energy resources available across the State. Establishing renewable energy opportunities and enhancing energy efficiency can also provide additional economic development opportunities for Kansas."

Under this year's program, the amount that can be awarded to a producer in the form of a working capital grant has been doubled to \$300,000, and \$1.5 million is also being allocated to provide grants of \$25,000 or less to eligible producers. Again this year, priority consideration will be given to those applicants who have at least 51% of project costs dedicated to activities for a bioenergy project. To date, the program has funded \$116 million in value-added grants for over 750 recipients nationwide, including \$20.5 million to develop and market renewable energy projects in 29 states. Renewable energy projects include biodiesel, ethanol or wind energy production, or the use of biomass to generate energy.

The grants may be used for planning activities, such as feasibility studies, marketing and business plans needed to establish a viable value-added marketing opportunity for an agricultural product, or to provide working capital for operating a value-added business venture, marketing value-added agricultural products and for farm-based renewable energy projects. Eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures.

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Awards will be made on a competitive basis, and applications must be received no later than March 31, 2006. Detailed information and program requirements and the application process can be found in the December 21st, 2005, publication of the Federal Register, on the Kansas USDA Rural Development website at www.rurdev.usda.gov/ks , or by calling the Agency in Topeka at 785-271-2744.

USDA Rural Development's mission is to deliver programs that support increasing economic opportunity and improving the quality of life of the State's rural residents. The Agency provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure in rural America. During Fiscal Year 2005, USDA Rural Development provided nearly \$235 million in direct funding for community and economic development projects across rural Kansas.

USDA Rural Development – *Committed to the future of rural communities*